



# Transforming Health Care in Alaska

# 2014

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2014 Annual Report of the Alaska Health Care Commission

2010 – 2014  
Strategic Plan  
Update

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# **Transforming Health Care in Alaska**

## **2014 Report/2010-2014 Strategic Plan**

### **Alaska Health Care Commission**

**Ward Hurlburt, MD, MPH/Jay Butler, MD, Chair**

**C. Keith Campbell**

**Valerie Davidson/Lincoln Bean**

**Jeffrey Davis/Greg Loudon**

**Emily Ennis**

**Col. Thomas Harrell, MD/Susan Yeager**

**Allen Hippler**

**Becky Hultberg**

**David Morgan**

**Lawrence Stinson, MD**

**Robert Urata, MD**

**Ex Officio Members:**

**Jim Puckett**

**Senator John Coghill**

**Representative Wes Keller/Pete Higgins**

**Deborah Erickson, Executive Director**



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of  
Health and Social Services

ALASKA HEALTH CARE COMMISSION  
Anchorage

3601 C Street, Suite 902  
Anchorage, Alaska 99503-5924  
Main: 907.334.2474  
Fax: 907.269.0060

January 15, 2015

To: The Honorable Bill Walker, Governor, State of Alaska  
The Honorable Kevin Meyer, President, Alaska State Senate  
The Honorable Mike Chenault, Speaker of the Alaska House of Representatives

We are pleased to present the 2014 annual report of the Alaska Health Care Commission. The Commission is a Governor's appointed advisory body established by the legislature in 2010 to recommend strategies for improving health care cost, quality and access. Since its inception the Commission has identified significant opportunities, as well as a broad set of strategies, for improving value in Alaska's acute medical care delivery system. In this report we present a new set of recommendations for strengthening fraud and abuse prevention and detection in the State's Medicaid program.

Originally slated to expire this year, the Commission's sunset date was extended by the legislature to 2017. Up until now the Commission has functioned primarily as a study and advisory group, but this year began the transition to a facilitator role to foster implementation of its policy recommendations. We have prioritized recommendations made to-date, and selected those for which we believe we can make the greatest impact. In the coming year we will be working with State agencies, private sector employers, health care providers, and other stakeholders on payment reform, transparency, evidence-based medicine, Workers' Compensation reform, wellness and prevention, opioid control, and Telehealth. We also look forward to identifying opportunities for supporting the Department of Health & Social Services with Medicaid reform planning.

Thank you for this opportunity to present solutions for transforming Alaska's health care system to deliver health and high quality, affordable care.

Sincerely,

Jay C. Butler, MD  
Chair, Alaska Health Care Commission  
Chief Medical Officer, Dept. of Health & Social Services

Deborah Erickson  
Executive Director  
Alaska Health Care Commission

## Table of Contents

<b>Acknowledgements</b> .....	<b>i</b>
<b>Executive Summary</b> .....	<b>iii</b>
<b>Part I. Introduction</b> .....	<b>1</b>
A. Purpose of this Report.....	1
B. Background on the Commission.....	1
C. Summary of 2014 Activities.....	3
D. Strategic Planning Process.....	6
E. Vision for Transformation of Alaska’s Health Care System.....	6
F. Understanding Alaska’s Current Health Care System.....	7
G. Alaska Health Care System Transformation Strategies.....	8
<b>Part II. 2014 Commission Findings &amp; Recommendations</b> .....	<b>9</b>
CORE STRATEGY III: Pay for Value – Reduce Fraud, Waste & Abuse in Alaska’s Medicaid Program .....	9
<b>Part III. Commission Activities for 2015</b> .....	<b>12</b>
CORE STRATEGY I: Ensure the Best Available Evidence is Used for Making Decisions.....	15
CORE STRATEGY II: Increase Price and Quality Transparency .....	16
CORE STRATEGY III: Pay for Value.....	17
CORE STRATEGY IV: Engage & Support Employers to Improve Health Plans and Employee Wellness..	18
CORE STRATEGY VII: Focus on Prevention.....	19
CORE STRATEGY VIII: Build the Foundation of a Sustainable Health Care System.....	20
 <b>APPENDICES</b> Available on the Commission’s Web Site at: <a href="http://hss.state.ak.us/healthcommission/">http://hss.state.ak.us/healthcommission/</a>	
<b>Appendix A:</b> Transforming Health Care in Alaska: Core Strategies & Policy Recommendations	
<b>Appendix B:</b> Policy Brief: All-Payer Claims Database Key Provisions for State Legislation	
<b>Appendix C:</b> Snapshot of Employer-Sponsored Health Insurance in Alaska	
<b>Appendix D:</b> Alaska Employer Health-Care Benefits: A Survey of Alaska Employers	
<b>Appendix E:</b> Employer Collaboration: Health Benefit Recommendations for Alaskan Employers	
<b>Appendix F:</b> Employer Collaboration: Commission Recommendations Requiring Legislation	
<b>Appendix G:</b> Employer Collaboration: Resolutions from the Alaska HR Leadership Network	
<b>Appendix H:</b> 2014 Voting Record, Financial Disclosure Forms, and Ethics Reports	

## ***Acknowledgements***

The Commission benefited from the knowledge and experience of numerous experts who made presentations and participated on panels to help educate us on the various issues and potential solutions we studied this year. The Commission would like to acknowledge the gracious contributions of the following individuals and thank them for sharing their time and expertise.

### **Fraud, Waste & Abuse Prevention & Control**

- Margaret Brodie, Director, Division of Health Care Services, Alaska Department of Health & Social Services
- Douglas Jones, Medicaid Program Integrity Manager, Alaska Department of Health & Social Services
- Andrew Peterson, Assistant Attorney General, Director, Medicaid Fraud Control Unit, Alaska Department of Law
- Gordon Grundy, MD, Medical Director, Special Investigations Unit, Aetna
- Lydia Bartholomew, MD, MHA, FACPE, Senior Medical Director, West Region Patient Management, Aetna

### **Workers' Compensation Reform**

- Michael Monagle, Director, Division of Workers' Compensation, Alaska Department of Labor & Workforce Development

### **Alaskan Employer Health Benefits Practices**

- Gunnar Knapp, PhD, Director, Institute for Social & Economic Research, University of Alaska Anchorage
- Mouhcine Guettabi, Assistant Professor of Economics, Institute for Social & Economic Research, University of Alaska Anchorage

### **Employers' Role in Health & Health Care**

- Todd Allen, VP Human Resources, Carlisle Transportation Systems
- Thomas Showalter, HR Director, Ukpeagvik Inupiat Corporation
- Florian Borowski, HR Director, CH2M Hill
- Rick Harwell, HR Director, Doyon Universal Services
- Tom Redmond, HR Director, SolstenXP
- Bill Popp, President & CEO, Anchorage Economic Development Corporation
- Mark Foster, Chief Financial Officer, Anchorage School District

### **Rural Sanitation in Alaska**

- Thomas Hennessy, MD, MPH, Director, Arctic Investigations Program, U.S., Centers for Disease Control & Prevention
- Bill Griffith, Facility Programs Manager, Alaska Department of Environmental Conservation
- Mike Black, Director, Program Development, Division of Environmental Health & Engineering, Alaska Native Tribal Health Consortium

### **Alaska's Veterans Affairs and Department of Defense Health Systems and Services**

- Susan Yeager, Director, Alaska VA Healthcare System
- Col. Teresa Bisnett, MD, Commander, DoD-VA Joint Venture Hospital, JBER, and Alaskan Command Surgeon

**Alaska's Behavioral Health System & Services**

- Albert Wall, Director, Division of Behavioral Health, Alaska Department of Health & Social Services
- Kate Burkhart, Executive Director, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, and Suicide Prevention Council
- Thomas Chard, Executive Director, Alaska Behavioral Health Association
- Xiomara Owens, Program Manager, Behavioral Health Aide Program, Alaska Native Tribal Health Consortium

**Alaska Public Health System Assessment**

- Jay Butler, MD, Senior Director, Division of Community Health Services, Alaska Native Tribal Health Consortium
- Ward Hurlburt, MD, MPH, Chief Medical Officer, Alaska Department of Health & Social Services

**Clinical Quality Improvement**

- Greta Wade, Quality & Patient Safety Project Director, Alaska State Hospital & Nursing Home Association
- Ellie Hogenson, MD, Medical Director, Fairbanks Memorial Hospital
- Jackie Collins, RN, Unit Director, Fairbanks Memorial Hospital
- Matt Eisenhower, Program Director, PeaceHealth Ketchikan
- Steve Tierney, MD, Medical Director for Quality Improvement, Southcentral Foundation

**State Health Planning**

- William Streur, Commissioner, Alaska Department of Health & Social Services
- Margaret Brodie, Director, Division of Health Care Services, Alaska Department of Health & Social Services
- Michael Monagle, Director, Division of Workers' Compensation, Alaska Department of Labor & Workforce Development
- Lori Wing-Heier, Director, Division of Insurance, Department of Commerce, Community, and Economic Development
- Michael Barnhill, Deputy Commissioner, Department of Administration

**Healthy Alaskans 2020**

- Emily Read, Director of Operations, Division of Community Health Services, Alaska Native Tribal Health Consortium
- Lisa Aquino, Community Health Improvement Manager, Division of Public Health, Alaska Department of Health & Social Services

**Affordable Care Act Implementation Updates**

- William Streur, Commissioner, Alaska Department of Health & Social Services (DHSS)
- Lori Wing-Heier, Director, Division of Insurance, Alaska Department of Commerce, Community & Economic Development
- Josh Applebee, Deputy Director for Health Policy, DHSS

Also, to the many Alaskans who took the time to testify before the Commission during public hearings, comment on the Commission's draft findings and recommendations, and attend Commission meetings, the Commission is grateful for your interest in improving the health and health care in our great state.

# Executive Summary

## **Introduction**

The Alaska Health Care Commission was established by the Legislature in 2010 to advise the state on policies for improving health and health care for all Alaskans. Members are appointed by the Governor, and represent stakeholder groups specified in statute. The purpose of this report is to convey the 2014 findings and recommendations of the Commission to the Governor and legislature as required under Alaska Statute 18.09.070.

Since its inception the Commission has 1) created a strategic framework for health system improvement including a time-specific vision with measurable objectives; 2) conducted studies to increase knowledge and understanding of current problems in the health care system; 3) developed a series of specific, relevant and measurable market-based policy recommendations for improving health care cost and quality; and 4) collaborated with private and public sector partners to foster greater understanding of issues and recommended policy changes.

The Commission's vision is that by 2025 Alaskans will be the healthiest people in the nation and have access to the highest quality, most affordable health care. We will know we have attained this vision when, compared to the other 49 states, Alaskans have: 1) the highest life expectancy; 2) the highest percentage population with access to primary care; and, 3) the lowest per capita health care spending level. Alaska is currently ranked 29<sup>th</sup>, 27<sup>th</sup>, and 49<sup>th</sup> respectively for certain indicators associated with each of these three measures.

Studies of the current condition of the health care system conducted since 2010 include a description of the structure and financing of the system; an actuarial analyses of physician, hospital, durable medical equipment, and drug prices and cost drivers; an overview of health care accounting and finance; an overview and impact analysis of the Affordable Care Act; and a study of health insurance and other health benefit practices of Alaskan employers.

## **Health Care Transformation Strategies and 2014 Policy Recommendations**

The Commission has identified the following core strategies as essential for improving value in Alaska's health care system:

- I. Ensure the best available evidence is used for making decisions
- II. Increase price and quality transparency
- III. Pay for value
- IV. Engage employers to improve health plans and employee wellness
- V. Enhance quality and efficiency on the "front-end" of the health care experience
- VI. Increase dignity and quality of care for seriously ill patients
- VII. Focus on prevention
- VIII. Build the foundation of a sustainable health care system

A compilation of all of the Commission's policy recommendations made to-date associated with these strategies is available in Appendix A.



During 2014 the Commission limited identification of new policies for implementing the core strategies to a single focus on reduction of fraud, waste and abuse in the State's Medicaid program. Finding that fraud and abuse prevention and investigation are important business practices that should be supported and strengthened in Alaska's Medicaid program, Commission recommendations to the Commissioner of Health & Social Services include:

- Enrolling all rendering provider types, and engaging recipients in helping to identify fraud by providing them with Explanation of Benefits statements;
- Streamlining audit and investigation processes for providers by focusing resources on provider types that pose the greatest risk of over payment, reducing audit cycle time and improving communication on audit status, and seeking a waiver of certain federal audit requirements;
- Continued strengthening of coordination and collaboration with the Department of Law's Medicaid Fraud Control Unit; and,
- Improving medical management to reduce waste by expanding prior authorization requirements and making the process more efficient for providers, streamlining Service Utilization Review, implementing care coordination for over-utilizers of emergency room services, tightening review of travel for compliance with program requirements, investigating cash transactions for controlled substance prescriptions, and implementing electronic verification of certain services.

Commission recommendations to the legislature include:

- Strengthening state seizure laws and considering bonding requirements for high-risk providers; and,
- Creating a robust prescription drug control program, including financial support for and upgrade of the Prescription Drug Database to real-time functionality and removing statutory barriers to state agency access to the database to facilitate fraud identification and drug abuse prevention.

### **2015 Priorities**

The Commission was originally scheduled to sunset during 2014, but was extended by the legislature this year to 2017. In 2015 the Commission will shift into a second phase of work, from serving solely as a study and advisory group to acting as a facilitator to foster implementation of top priority policy recommendations. The Commission identified seven policy recommendations as the most important for increasing health care value and for which they believe they can make the greatest impact through facilitation activities:

1. Incorporation of evidence-based medicine in payment and benefit design
2. Investigation of transparency legislation options
3. Implementation of payment reform
4. Reform of Workers' Compensation laws
5. Support for healthy lifestyles
6. Adoption of opioid control policies and program
7. Fostering Telehealth

The Commission also identified a series of facilitation activities for each of these priorities, such as convening agency leaders with experts from other states in mutual learning sessions, contracting for formal assessments of agency readiness, preparing policy briefs on recommended legislation, and providing coordination for demonstration projects. These 2015 plans may be adapted to accommodate requests from the Administration for assistance with Medicaid reform planning.

## Part I. Introduction

### A. Purpose of this Report

The purpose of this report is to convey the 2014 findings and recommendations of the Alaska Health Care Commission to Governor Walker and the Alaska Legislature as required under Alaska Statute 18.09.070. This report builds on the work of the original Alaska Health Care Commission (created by Administrative Order #246) which in their 2009 Report presented a 5-year strategic planning framework as a “roadmap” for strengthening Alaska’s health care delivery system. The 2009 report was described as a “living” plan meant to evolve each year as problems regarding health care quality, cost and access are studied, potential solutions are analyzed, and implemented strategies are evaluated. This latest report documents the continuation of that process.

Included in this Annual Report, are:

- Part I: An introduction including background on the Commission; a summary of the Commission’s 2014 activities; the Commission’s strategic planning framework and vision; the areas of study on the current health care system addressed by the Commission; and a summary of the core strategies the Commission has identified as essential for improving value in Alaska’s health care system.
- Part II: The Commission’s 2014 recommendations for transformation of Alaska’s health care system, and related findings.
- Part III: Commission plans for 2015, including policy recommendations identified as top priority and proposed activities for facilitating implementation of those policies.
- Appendices:
  - a summary of the Commission’s recommended core strategies and compilation of policy recommendations made to-date;
  - a policy brief detailing key provisions that should be considered in drafting state legislation required for creation of a statewide All-Payer Claims Database;
  - a summary report and the full report on a survey of Alaskan employers’ health benefit practices conducted for the Commission under contract with the Alaska Department of Labor & Workforce Development and the Institute of Social & Economic Research/UAA;
  - Commission recommendations for Alaskan employers regarding health benefit practices;
  - a letter from the Chair to a group representing Alaskan employers describing Commission recommendations that require legislation for implementation;
  - copies of signed resolutions supporting Commission recommendations transmitted to the legislature by Alaskan employers; and,
  - the Commission’s 2014 Voting Record, Financial Disclosure Forms, and Ethics Reports as required under AS 18.09.070(c) .

### B. Background on the Commission

The Alaska Health Care Commission was established by the Legislature in 2010 under AS 18.09.010 – AS 18.09.990 to advise the state on policies for improving health and health care for all Alaskans. Membership representing various health care stakeholders is specified in statute, which also designates the Department of Health & Social Services Chief Medical Officer as chairperson of the Commission. The Commission originally convened during 2009 under Governor’s Administrative Order #246, and is currently scheduled to sunset June 30, 2017.

Duties of the Commission prescribed by AS 18.09.070:

- I. Serve as the state health planning and coordinating body;
- II. Provide recommendations for and foster the development of a:
  1. Comprehensive statewide health care policy;
  2. Strategy for improving the health of Alaskans that
    - i. Encourages personal responsibility for disease prevention, healthy living and acquisition of health insurance;
    - ii. Reduces health care costs;
    - iii. Eliminates known health risks, including unsafe water and wastewater systems;
    - iv. Develops a sustainable health care workforce;
    - v. Improves access to quality health care; and,
    - vi. Increases the number of insurance options for health care services.
- III. Submit a report to the Governor and the Legislature by January 15 of each year regarding the Commission's recommendations and activities.

Commission members are appointed by the Governor, with the exception of the two legislative representatives who are appointed by their respective bodies. Short biographies of the current members are provided on the Commission's web site. 2014 Commission members, with this year's resignations and appointments noted, were:

- **Ward Hurlburt, MD, MPH:** Designated Chair; Chief Medical Officer for the Alaska Department of Health & Social Services; Anchorage. Resigned December 2014.
- **Jay Butler, MD:** Designated Chair; Chief Medical Officer for the Alaska Department of Health & Social Services; Anchorage. Appointed December 2014.
- **Lincoln Bean:** Representing the Alaska tribal health care system; Chairman of the Alaska Native Health Board; Kake. Appointed September 2014.
- **Keith Campbell:** Representing consumers; retired hospital administrator and former AARP Chair; Seward.
- **Valerie Davidson:** Representing the Alaska tribal health care system; Senior Director of Legal and Intergovernmental Affairs for the Alaska Native Tribal Health Consortium; Anchorage. Resigned June 2014.
- **Jeffrey Davis:** Representing Alaska's health insurance industry; President of Premier Blue Cross Blue Shield of Alaska; Anchorage. Resigned June 2014.
- **Emily Ennis:** Representing the Alaska Mental Health Trust Authority; Executive Director of Fairbanks Resource Agency; Fairbanks.
- **Col. Thomas Harrell, MD:** Representing the U.S. Department of Veterans Affairs health care system; Commander of the Air Force/Veterans' Affairs Joint Venture Hospital at Elmendorf; Anchorage. Resigned February 2014.
- **Becky Hultberg:** Representing the Alaska State Hospital & Nursing Home Association; President/CEO Alaska State Hospital & Nursing Home Association; Juneau. Appointed May, 2014.
- **Greg Loudon:** Representing Alaska's health insurance industry; Principal and Employee Benefits practice leader with the commercial insurance firm of Parker, Smith & Feek; Anchorage. Appointed September, 2014.
- **David Morgan:** Representing community health centers; Retired Reimbursement Director for the Southcentral Foundation; Anchorage.
- **Allen Hippler:** Representing the Alaska State Chamber of Commerce; Vice President with Northrim Bank; Anchorage.

- **Lawrence Stinson, MD:** Representing Alaska health care providers; anesthesiologist and co-owner of Advanced Pain Centers of Alaska; Anchorage.
- **Robert Urata, MD:** Representing primary care physicians; family medicine physician; Juneau.
- **Susan Yeager:** Representing the U.S. Department of Veterans Affairs health care system; Director of the Alaska VA Healthcare System; Anchorage. Appointed June 2014.

**Ex-Officio** (non-voting members)

- **Jim Puckett:** Representing the Governor's Office; Director, Division of Retirement & Benefits, Department of Administration; Juneau.
- **Representative Wes Keller:** Representing the Alaska House of Representatives; Wasilla. Resigned September 2014.
- **Representative Pete Higgins:** Representing the Alaska House of Representatives; Fairbanks. Appointed September 2014.
- **Senator John Coghill:** Representing the Alaska Senate; North Pole.

Since its inception the Commission has 1) created a strategic framework for health system improvement including a time-specific vision with measurable objectives; 2) conducted studies to increase knowledge and understanding of current challenges in the health care system; 3) developed a series of specific, relevant and measurable market-based policy recommendations for improving health care cost and quality; and 4) created a template for a statewide health plan based on the recommendations of the Commission.

The Commission was originally scheduled to sunset on June 30, 2014. The Division of Legislative Audit conducted a Sunset Audit of the Commission in 2013, finding it is fulfilling its intended purpose and operating in the public's interest, and recommending the termination date be extended to provide adequate time to coordinate with the Department of Health & Social Services on the development of a statewide health plan. State legislation passed unanimously in April 2014 and was signed into law in September extending the Commission's sunset date by three years to June 30, 2017.

## C. Summary of 2014 Activities

2014 has been a transition year for the Commission. With the scheduled sunset on June 30, the group began the year concurrently making plans to wrap up their work of the past three years in a final deliverable for the Governor and legislature, while at the same time envisioning and planning for a second phase of work in the event of continuation. In April the legislature unanimously passed SB 135, extending the Commission's sunset date by three years to June 30, 2017. With the signing of the bill into law by the Governor in September, the Commission's preparations for the next phase of work began in earnest. The Commission also experienced a significant turnover in membership this year, but concluded the year with a full roster.

During this transition year the Commission primarily focused on redefining what their role and priorities should be in Phase II of their work and on receiving updates on various health care issues. Less time than usual was spent on developing new recommendations, which this year focused exclusively on improving fraud and abuse prevention and investigation in the State's Medicaid program. With a fairly comprehensive set of policy recommendations in place from Phase I, the Commission determined that in Phase II they would shift from a study and advisory role, to one of facilitator to foster implementation of existing recommendations.

**Meetings & Process:** During 2014 the Commission held four quarterly in-person meetings, the first in Juneau and the remainder in Anchorage, on the following dates: March 21-22; June 19-20; August 14-15; October 2-3; and December 6. All of these meetings were open to the public, and teleconferenced for members of the public unable to attend in person but interested in listening or providing testimony. Transcripts, presentations, handouts and agendas from each of these meetings are available on the Commission's website.

The general format of each of the four quarterly two-day meetings included presentations by experts on the various topics studied, panels of Alaskan health care stakeholders on their perspectives regarding the relevant issues, and work sessions for the Commission to identify and discuss this year's potential findings and recommendations and next year's priorities and planned activities. Time was also provided for public testimony during each of these meetings. Formal Commission decisions are documented in the 2014 Voting Record included in Appendix H.

Between their August and October meetings the Commission worked together over e-mail to organize their existing body of policy recommendations into 27 categories, and rank them for the purpose of prioritizing for Phase II (implementation activities beginning 2015). The ranking exercise included evaluation of both the importance of each priority for attaining the Commission's vision, and the ability of the Commission to impact implementation through facilitation activities. A consultant facilitated the Commission's October 2 meeting to guide the group through a final prioritization process. The results of that process are described in Part III of this report.

The Commission's 2014 findings and recommendations and 2015 priorities and plans were released in draft for written comment during November. The Commission reviewed public comments, made final changes, and approved the findings and recommendations for inclusion in the annual report at a meeting held via teleconference and webinar on January 5, 2015. This meeting had originally been scheduled for December 9, but had been postponed to accommodate the transition in administrations and subsequent change in Commission leadership.

**Health Policy "Elders" Event:** On October 1 the Commission hosted a special event, convening a group of Alaskans who worked in leadership positions in Alaska's health care and public health sectors during the 1960s, 1970s, and 1980s to have a conversation about the significant health and health care delivery issues of those decades, as well as their approaches to crafting solutions. The event was held in recognition of the 60<sup>th</sup> anniversary of the Parran Report — a seminal study commissioned by the federal government and published in 1954 on health conditions in the Territory of Alaska. The gathering provided an opportunity to learn from history to inform the future. Video and audio recordings and transcripts of the event are available on the Commission's website. It is intended that these recorded conversations seed a deeper understanding of the complexities of health care in Alaska in the future.

**Collaboration with Alaskan Employers:** The Commission Chair and Director were invited to a series of meetings this year to share information and recommendations with the Alaska Human Resources Leadership Network. The Leadership Network is a coalition of local HR Directors from companies in the energy, finance, telecommunications, construction, and engineering sectors that convened in 2013 to address concerns regarding employee health benefit costs.

During 2014 the Leadership Network made two requests of the Commission — for a description of the "Top 10" health benefit recommendations the Commission would have for Alaskans employers, and a description of policy recommendations made by the Commission to-date that would require legislative

action to implement. The paper providing recommendations for employers is included here as Appendix E, and the August 2014 letter from Dr. Ward Hurlburt, then Chair of the Commission, describing policy recommendations requiring legislation is included as Appendix F. The Leadership Network also circulated a resolution in support of the Commission's recommendations this year. A number of members signed and transmitted those resolutions (included here as Appendix G) to legislature. Representatives of the Leadership Network also participated in the Commission's October meeting to share their interests and concerns, as well as feedback on the results of the employer survey.

**Coordination & Statewide Health Plan Development:** The Commission Chair and staff met frequently throughout the year with leaders from the Department of Health & Social Services, Department of Administration, Division of Insurance/Department of Commerce, Community & Economic Development, and Division of Workers' Compensation/Department of Labor & Workforce Development to consult on topics related to Commission policy recommendations.

The Commission also collaborated with the Healthy Alaskans 2020 (HA 2020) initiative throughout the year. HA 2020 is a partnership between the Alaska Native Tribal Health Consortium and the Alaska Department of Health & Social Services that brings together participants from many sectors to work together on prevention strategies for improving population and community health. The Commission's Chairs, Dr. Hurlburt followed by Dr. Butler, provided leadership as part of the HA 2020 Steering Team, and Commission staff participated on the Advisory Team and provided information and support for health care-related strategy workgroups. HA 2020 coordinators also presented information on their progress and results to the Commission periodically during the year.

**Consultant Contracts:** The Commission contracted with the Alaska Department of Labor & Workforce Development and with the Institute of Social & Economic Research at UAA during 2013 and 2014 on a collaborative initiative to study employer health benefit practices in Alaska. The DoL&WD Research and Analysis Section designed and conducted the survey of Alaskan employers, gathering over 1,300 responses from employers of all sizes and from all sectors (except federal and state government). ISER analyzed the survey data and prepared a full report and also a shorter "snapshot" summary on the results. The two reports are included here as Appendices C and D.

**Communication:** The Commission maintained a website for posting meeting information, reports, and reference materials related to their priority focus areas. The listserv established to communicate with system stakeholders and members of the public interested in receiving periodic updates was also maintained, and by the end of 2014 there were nearly 1,400 subscribers.

The Commission Chair and Director made several presentations to legislative committees this year on the work and recommendations of the Commission, including:

- House Finance on January 24
- Senate Health & Social Services on February 3
- Senate Finance on February 11
- House Health & Social Services on March 25
- House Finance on April 10

**Administration:** The Commission maintained two full-time staff support positions this year — an Executive Director and Administrative Assistant housed in the Office of the Commissioner of the Department of Health & Social Services. The Commission's by-laws and ethics handbook are available on the Commission's website. Copies of 2014 Financial Disclosure forms and quarterly Ethics Reports are included in Appendix H.

## D. Strategic Planning Process

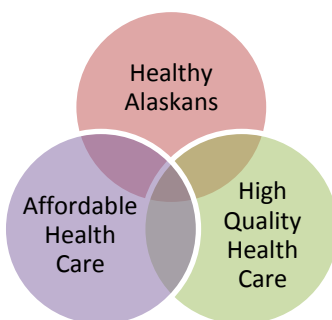
The Commission's planning framework started with identification of a vision — a picture of the ideal future for Alaska related to health and health care. Work continues with effort devoted each year to studying the current condition of the health care system, and to identifying strategies and recommending policies for moving the system from the current state toward the envisioned future.

The Commission defines health and health care broadly (definitions are available on the Commission's web site). Work has focused primarily on strategies for increasing value in acute medical care as it represents the largest component of health care spending, and is the one area of Alaska's health system that does not already have an existing planning or advisory body in place.



## E. Vision for Transformation of Alaska's Health Care System

The Commission's vision is aspirational, imagining a future in which Alaskans are the healthiest people in the United States and Alaska's health care system delivers the greatest value — the highest quality at the most affordable price.



***By 2025 Alaskans will be the healthiest people in the nation  
and have access to the highest quality, most affordable health care.***

*We will know we have attained this vision when, compared to the other 49 states, Alaskans have:*

- 1. The highest life expectancy (Alaska currently ranks 29<sup>th</sup>)*
- 2. The highest percentage population with access to primary care (Alaska currently ranks 27<sup>th</sup>)*
- 3. The lowest per capita health care spending level (Alaska currently ranks 49<sup>th</sup>)*





## F. Understanding Alaska's Current Health Care System

Following are topics the Commission has studied over the past few years to develop a better understanding of Alaska's health care system as a foundation for developing strategies for attaining the vision. Information the Commission has compiled on these topics is available on the Commission's website and may be accessed by clicking on the topic below, or by visiting the Focus Areas index page at: <http://dhss.alaska.gov/ahcc/Pages/focus/default.aspx>.

Topics for which new information was presented during 2014 (and is newly available on our website) are highlighted in yellow below. The most substantial new research the Commission sponsored this year was a study of employer health benefit practices in Alaska. The Commission funded the Department of Labor & Workforce Development, with consultation by the Department of Health & Social Services, to design and conduct the survey, to which over 1,300 employers responded. The Commission funded the Institute for Social & Economic Research (ISER) at the University of Alaska Anchorage to analyze the survey data. The final reports on that study were published this past month.

### Alaska's Health Care System

- [Description of Alaska's health care system structure and financing](#)
- [Discussion of health care system challenges](#) (see Part II of the report at this link)
- [Employer sponsored health insurance coverage](#) (Includes new ISER Reports)
- [Workers' Compensation Program](#)
- [Veteran's Affairs and military health care systems](#)
- [Clinical quality improvement](#)

### Health Care Costs

- [Economic analysis of health care spending and cost drivers in Alaska](#)
- [Actuarial analysis of physician, hospital, durable medical equipment, and prescription drug prices comparing reimbursement levels in Alaska to other states and between payers](#)
- [Drivers of health care reimbursement differences between Alaska and other states](#)
- [Health insurance cost drivers](#)
- [Health care accounting and finance](#)

### Federal Reform

- [Overview of the Affordable Care Act](#) (see Part II of the report at this link)
- [Impact of the Affordable Care Act in Alaska](#)

### Government Regulation of the Health Care Industry

- [Government health care regulation overview](#) (see Part II of the report at this link)
- [Impact of medical malpractice reforms in Alaska](#)

### Other Health Related Services & Systems

- [Long term care services](#)
- [Behavioral health services](#)
- [Oral health and dental services](#)
- [Public health and prevention](#)
- [Rural sanitation](#)





## G. Alaska Health Care System Transformation Strategies

Following are the Core Strategies the Commission has identified as necessary for improving value in Alaska's acute medical care system. Detailed policy recommendations associated with these strategies are included in Appendix A.

### I. Ensure the best available evidence is used for making decisions

Support clinicians and patients to make clinical decisions based on high grade medical evidence regarding effectiveness and efficiency of testing and treatment options. Apply evidence-based principles in the design of health insurance plans and benefits.

### II. Increase price and quality transparency

Provide Alaskans with information on health care costs, prices and quality so they can make informed choices. Provide clinicians, payers and policy makers with information needed to make informed health care decisions.

### III. Pay for value

Redesign payment structures to incentivize quality, efficiency and effectiveness. Support multi-payer payment reform initiatives to improve purchasing power for the consumer and minimize the burden on health care providers. Reduce fraud, waste, and abuse.

### IV. Engage employers to improve health plans and employee wellness

Support employers to adopt employee health and health insurance plan improvement as a business strategy. Start with price and quality transparency, and leadership by the State Department of Administration. Reform the Workers' Compensation program to contain costs and improve quality.

### V. Enhance quality and efficiency of care on the front-end

Strengthen the role of primary care providers, and give patients and their clinicians better tools for making health care decisions. Improve coordination of care for patients with multiple providers, and care management for patients with chronic health conditions. Improve Alaska's trauma system.

### VI. Increase dignity and quality of care for seriously ill patients

Support Alaskans to plan in advance to ensure health care and other end of life decisions are honored. Provide secure electronic access to advance directives. Encourage provider training and education in end-of-life care. Establish a process that engages seriously and terminally ill patients in shared treatment decision-making with their clinicians. Use telehealth and redesign reimbursement methods to improve access to palliative care.

### VII. Focus on prevention

Create the conditions that support and engage Alaskans to exercise personal responsibility for living healthy lifestyles. High priorities include reducing obesity rates, increasing immunization rates, increasing behavioral health screening, and integrating behavioral health and primary care.

### VIII. Build the foundation of a sustainable health care system

Create the information infrastructure required for maintaining and sharing electronic health information and for analysis of health care data to drive improved quality, cost and outcomes. Support an appropriate supply and distribution of health care workers. Provide statewide leadership to facilitate health care system transformation.

## Part II. 2014 Commission Findings & Recommendations

### CORE STRATEGY III: Pay for Value – Reduce Fraud, Waste & Abuse in Alaska’s Medicaid Program

#### Findings

1. Fraud and abuse prevention and investigation are important business practices and should be supported, but will not reform the health care system and will not address the major cost challenges. Realignment of fee structures, creation of more even negotiating fields, and evidence-based practice and coverage are the strategies required for reforming the system to address the major cost challenges.
2. CMS estimates 3-10% of Medicaid spending is fraud. Alaska Medicaid fraud recovery, while currently less than 1%, has significantly increased in recent years. Not reflected in the 1% recovery is the deterrent effect of the increased investigation and recovery effort.
3. Active collaboration between the Alaska Department of Law, the Alaska Department of Health & Social Services, the U.S. HHS Office of Inspector General, and U.S. Immigration & Customs Enforcement is resulting in significantly increased recoveries and convictions. Since October 2012 when the two State agencies ramped-up collaborative efforts to address Medicaid fraud:
  - Prosecutors presented charges in 93 criminal cases resulting in 62 convictions and saving a total of \$12 million for the State of Alaska in the first year alone;
  - The Department of Law Medicaid Fraud Control Unit provided the Department of Health & Social Services Medicaid Integrity Program with information to suspend 7 agencies, and DHSS issued a total of 65 payment suspensions in SFY 2014 based on information from a variety of sources;
  - One large case involved investigating 53 individuals, with 35 convictions and \$743,000 in savings;
  - The majority of cases have been home health or personal care attendant providers; and,
  - Another large case currently pending involves a single physician accused of fraudulently billing more than \$1 million over the course of four years.
4. The Medicaid Fraud Control Unit currently has a backlog of cases that could be alleviated with additional staff support.
5. The State is sometimes unable to recover public funds lost through fraud. Requiring bonding and/or strengthening state seizure law could increase the State’s ability to recover funds found to be paid for fraudulent claims.
6. The new Medicaid Recovery Audit Contractor (RAC) Audit program required by CMS under the Affordable Care Act is not working in Alaska. Alaska’s Medicaid RAC contractor suspended performance of audits under their contract during 2014 because they were not able to generate income in our state due to the difficulty with aligning the DRG (Diagnosis Related Groups) payment focus of the RAC audit process with Alaska’s fee-for-service payment structures.

7. State audits performed by Myers & Stauffer under AS 47.05.200 do not generally identify criminal activity, but one fraud case identified during 2014 will result in \$1 million savings for the State. These audits have identified over \$5 million in overpayments since October, 2012, so this program is beneficial.
8. Fraudulent providers are exploiting vulnerabilities in the system.
  - Medicaid beneficiaries have no financial incentives to provide a check on potential fraudulent practice by their providers; and also do not receive an Explanation of Benefits statement as do patients with private insurance, and so cannot verify services billed on their behalf.
  - Lack of enrollment of some rendering provider types creates avenues for fraudulent providers caught under one provider type to continue billing for services under another provider type.
9. Abuse of prescription opioid narcotics is not only a critical health concern, as documented by the Alaska Health Care Commission in 2013, but is also a significant source of fraud and abuse in the health care system. Alaska's current Prescription Drug Monitoring law creates barriers that restrict the Department of Law and the Department of Health & Social Services from accessing the data and using it to identify potentially fraudulent or abusive prescribing practices and doctor-shopping by patients.

### **Recommendations**

- I. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services increase efforts to address fraud in the Medicaid program and streamline audit processes for providers by:
  - a) Establishing regulations to enroll all rendering provider types as Medicaid providers.
  - b) Repurposing discretionary audits performed by Myers & Stauffer under AS 47.05.200 to target provider types that pose the greatest risk of overpayment, and to relieve providers who demonstrate compliance.
  - c) Implementing procedures to reduce the cycle time from audit notification to providers through final report issuance, and to improve communication with providers so that they have on-line access to information on the status of audits.
  - d) Providing Explanation of Benefits statements to Medicaid recipients, with education about their obligation to notify the department in the event of a statement of payment for services they did not receive.
  - e) Requesting a waiver from CMS from the Medicaid Recovery Audit Contractor program requirement established under the Affordable Care Act.
- II. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services and the State Attorney General continue to strengthen coordination and collaboration between the Medicaid Fraud Control Unit, the Medicaid Integrity Program, DHSS Medicaid operating divisions, and federal fraud investigation and control programs.
- III. The Alaska Health Care Commission recommends the legislature fund and the Governor support expanded capacity in the Department of Law Medicaid Fraud Control Unit to investigate and prosecute criminal fraud cases.

- IV. The Alaska Health Care Commission recommends the legislature:
- a) Strengthen state seizure laws, and consider bonding requirements for certain high-risk Medicaid providers, to increase recovery of Medicaid funds lost to fraud.
  - b) Provide the Medicaid program the authority to adjust future payments to providers who have past-due obligations to the program.
  - c) Remove statutory barriers to Department of Health & Social Services and Department of Law access to and use of the Prescription Drug Database for fraud identification and statewide drug abuse prevention efforts.
  - d) Create a more robust prescription drug control program by ensuring financial support to continue the program, and supporting upgrade of the database to real-time functionality to identify and prevent doctor-shopping practices.
- V. The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services continue efforts to increase medical management to address waste in the Medicaid program, such as through:
- a) Expansion of prior authorization requirements for medical necessity for services, and establishment of user-friendly and efficient prior authorization processes for providers.
  - b) Establishing pre-payment review for providers who have billed for services inappropriately in the past, and providing education and technical assistance to assist providers with learning proper billing practices.
  - c) Streamlining Service Utilization Review procedures to target information gathering to outlying procedures, and discontinue the burdensome practice of requiring all patient data when an outlying procedure is identified.
  - d) Implementing a care coordination program for beneficiaries who over-utilize emergency room services.
  - e) Tightening review of Medicaid travel for compliance with program requirements.
  - f) Investigating beneficiaries who pay cash for prescriptions for controlled substances, potentially with the intent of making the purchase more difficult to track, to ensure the drugs were not diverted for improper or illegal use.
  - g) Implementing electronic verification of Personal Care Assistant and Waiver services.

## Part III. Commission Activities for 2015

As described in the Introduction, the Commission is entering a new phase during which we will shift from performing the role of a study and advisory group, and take on the role of facilitator in order to foster implementation of top priority policy recommendations. The role of facilitator can take a variety of forms, including serving as a convener of stakeholders, providing technical assistance, and sponsoring studies to gather additional information required for implementation.

During 2014, to prepare for Phase II and set the course for 2015, the Commission identified from among the current policy recommendations those they believe to be the most important for addressing the central challenge of improving value in the acute medical system, and on which they feel they could make the greatest impact by facilitating implementation. We then compiled a draft list of potential facilitation activities for each of the seven selected priorities.

As part of the prioritization process we created a “Strategic Map” to depict in graphic form the strategies identified for guiding health care improvement and the associated policy recommendations. The Strategic Map is presented on the next two pages. The seven top priority policy recommendations selected for facilitation by the Commission (highlighted in yellow on the Map) are:

- Incorporate Evidence-based Medicine in Payment & Benefit Design and Provide Decision-Support Tools (I.1a,d,e)
- Investigate Transparency Legislation (II.1)
- Implement Payment Reform (III.1)
- Reform Workers’ Compensation Laws (IV.4)
- Encourage & Support Healthy Lifestyles (VII.1)
- Adopt Opioid Control Policies & Programs (VII.6)
- Foster Telehealth (VIII.A.3)

To see the complete policy recommendation associated with each box on the Strategic Map, please refer to the Commission’s Core Strategies & Policy Recommendations in Appendix A.

The proposed facilitation activities that follow the Strategic Map on the next two pages constitute a menu from which Commission priorities and agendas will be developed during 2015. Activities will be selected based on available resources, and on stakeholder priorities and readiness. These priorities and activities may be adapted to accommodate requests from the Department of Health & Social Services for assistance with Medicaid reform planning.

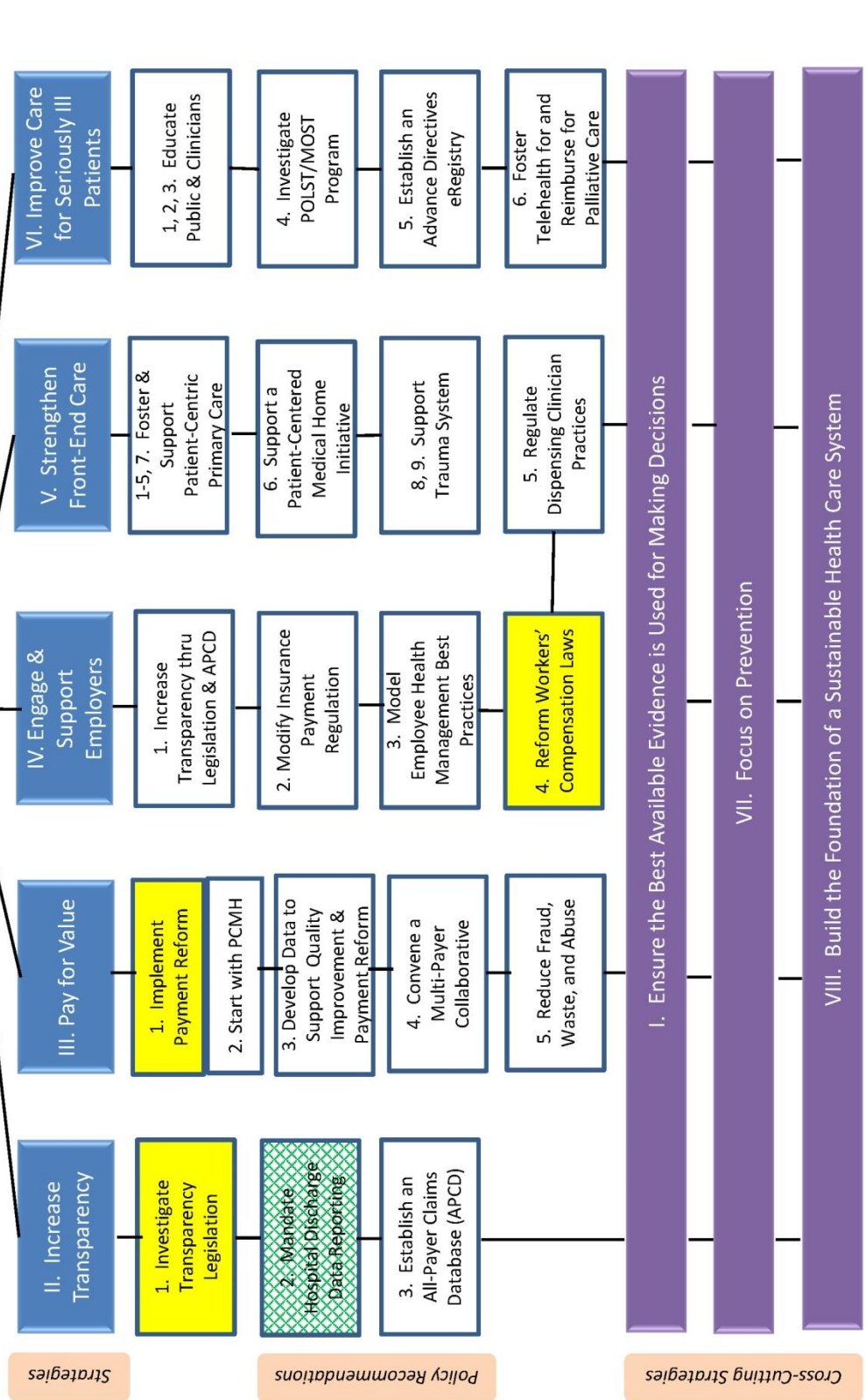


## Central Challenge

Foster State government policies that promote increased value – enhanced quality and outcomes at affordable cost – in Alaska's acute medical care delivery system.

Yellow shaded policy recommendations were selected by the Commission for facilitation in 2015

Green hatch – currently in implementation



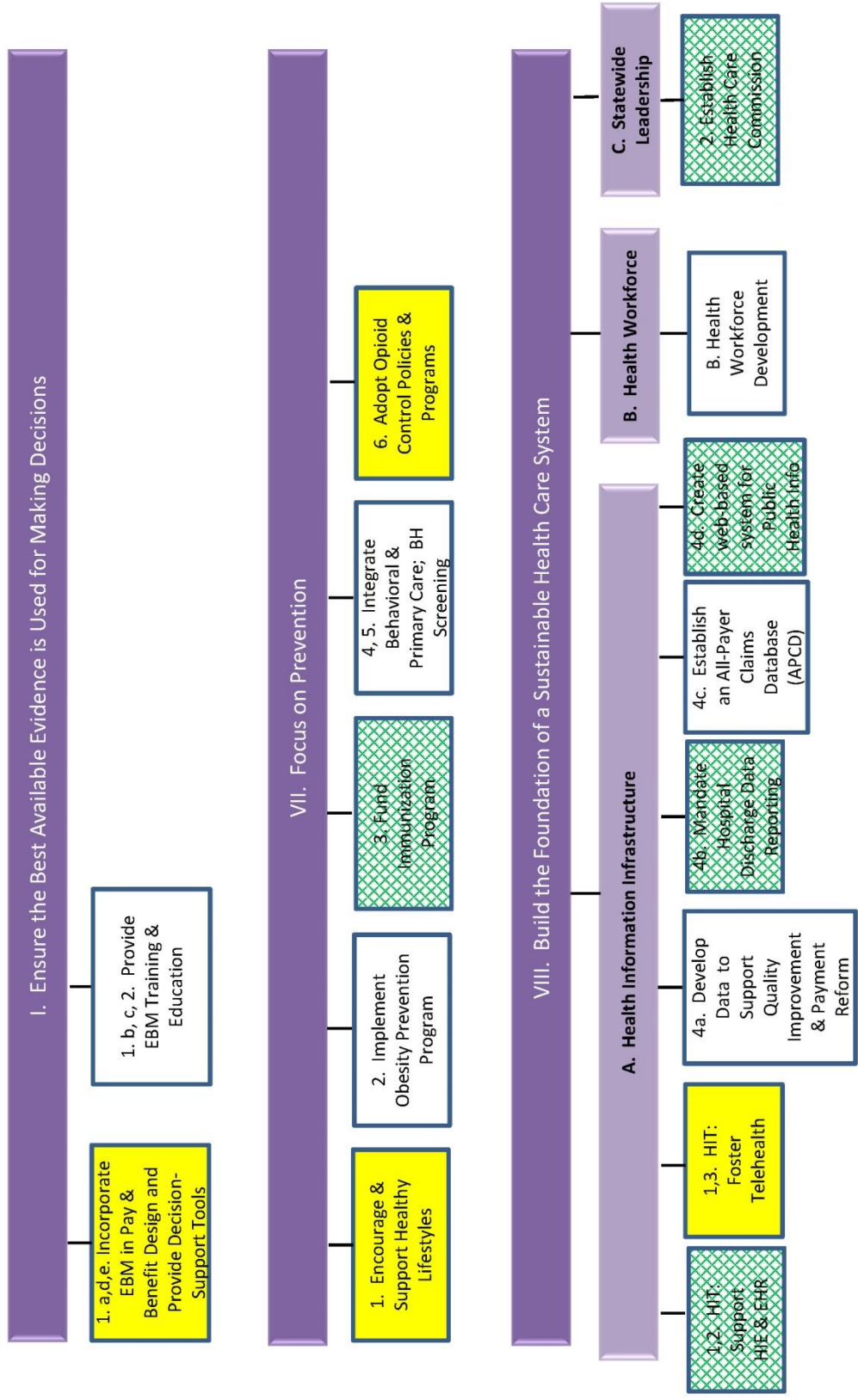




Cross-Cutting Strategies & Policy Recommendations

Yellow shaded policy recommendations were selected by the Commission for facilitation in 2015

Green hatch - currently in implementation



## CORE STRATEGY I: Ensure the Best Available Evidence is Used for Making Decisions

### *Policy Recommendation I.1a,d,e: Incorporate Evidence-Based Medicine in Payment & Benefit Design and Provide Decision-Support Tools (from 2013 Annual Report)*

1. *The Commission recommends that Commissioners of State agencies responsible for purchase of medical services (Health & Social Services, Administration, Labor & Workforce Development, and Corrections) and the President of the State University System:*
  - a. *Incorporate high grade evidence-based medicine when making determinations relative to provider payment methods and health plan benefit design (such as covered services, prior authorization requirements, and patient cost-sharing differentials); and in so doing:*
    - *Coordinate development and application of evidence-based medicine policies across programs and departments to create a consistent approach supporting improved quality and efficiency in Alaska's health care system.*
    - *Support a transparent policy development process.*
    - *Develop policies that do not restrict access to appropriate treatment, but foster informed discussions between patients and clinicians to support individualized, evidence-based choices to improve the quality of health care.*
    - *Ensure prior authorization processes are efficient, prompt, and user-friendly for providers and patients.*
  - d. *Provide patient decision-support tools to assist State health insurance plan members and public program clients to make effective care choices in consultation with their clinicians.*
  - e. *Promote provider-patient relationships through payment structures and benefit designs that support providers in monitoring patient compliance, and support patients to comply with best practices for managing chronic conditions such as asthma, diabetes, hypertension, and hyperlipidemia.*

### **Proposed Commission Facilitation Activities for Policy Recommendation I.1.a,d,e**

- A. Convene State of Alaska (SOA) agency leaders to facilitate mutual learning sessions and alignment of evidence-based medicine and medical management strategies.
  - i. Arrange a meeting between SOA health plan administrators and administrators in other states who have successfully implemented evidence-based medicine and medical management in their Medicaid program and state employee health plans.
  - ii. Prepare a white paper for SOA health plan administrators that describes nationally utilized medical management standards, such as InterQual and Milliman, and discusses opportunities for incorporating requirements for application of such standards in future third-party administrator and utilization review contracts.
  - iii. Facilitate development of an interagency work plan for strengthening and aligning evidence-based medicine and medical management strategies applied in SOA administered health plans.
- B. Assess whether the State of Alaska is ready to apply high grade evidence in benefit design and medical management of employee/retiree health plans and Medicaid, and if so whether benefits are to be provided consistent with a “moderately” managed health plan in terms of evidence-based criteria (options are loosely, moderately, and tightly managed).



- i. Contract for an assessment of the current level of medical management provided by the current SOA utilization review and third-party administrators, Qualis and Xerox (Medicaid) and Aetna (AlaskaCare).
- C. Prepare a white paper on options and opportunities for improving prior authorization procedures in State of Alaska health plans (AlaskaCare and Medicaid) to make them more user-friendly for health care providers.
- D. Sponsor a series of annual seminars for state agency staff involved in health plan administration to facilitate understanding of and expertise regarding evidence based medicine. (Other states such as Washington and Oregon do this).
- E. Sponsor and facilitate presentations at annual meetings of health care provider organizations such as the Alaska State Medical Association and the Alaska State Hospital & Nursing Home Association to describe evidence-based medicine and what the State of Alaska is doing in this regard.
- F. Sponsor and facilitate presentations to business and policy groups, such as the Alaska State Chamber of Commerce, the Alaska HR Leadership Network, and Commonwealth North, to describe evidence based medicine and what the State of Alaska is doing in this regard.
- G. Convene University of Alaska and Alaska Pacific University health program leaders and stakeholders to discuss current strategies and opportunities for strengthening integration of evidence-based medicine skill development in curricula for clinician and health care administrator training programs such as nursing, medicine, and health care management.

## **CORE STRATEGY II: Increase Price and Quality Transparency**

### ***Policy Recommendation II.1: Investigate Transparency Legislation (from 2013 Annual Report)***

1. *The Alaska Health Care Commission recommends the Commissioner of the Department of Health & Social Services investigate and the Alaska Legislature support implementation of a mechanism for providing the public with information on prices for health care services offered in the state, including information on how quality and outcomes compare, so Alaskans can make informed choices as engaged consumers.*

#### **Proposed Commission Facilitation Activities for Policy Recommendation II.1.**

- A. Prepare a white paper on transparency legislation enacted in other states including outcomes (outcomes would include utilization of price and quality information by patients, referring clinicians, policy makers, and the general public; impact on the health care market; etc.).
- B. Convene stakeholder sessions and compile input and ideas for key elements for state transparency legislation.
- C. Prepare a policy brief on recommended key elements for legislation. Include experience from other states and input from stakeholder sessions, and solicit public comment on draft.

- D. Convene State health plan administrators (including Department of Administration, DHSS/Medicaid, and the University of Alaska) to identify strategies and develop an action plan to increase public transparency of State agency and University administered health plan costs and accounting structures.

### **CORE STRATEGY III: Pay for Value**

#### ***Policy Recommendation III.1: Implement Payment Reform (from 2011 Annual Report)***

1. *The Alaska Health Care Commission recommends the State of Alaska utilize payment policies for improving the value of health care spending – for driving improved quality, efficiency and outcomes for each health care dollar spent in Alaska – recognizing that:*
  - a. *Local payment reform solutions are required for Alaska’s health care markets*
  - b. *Payment reform may not result in immediate cost savings, but efforts must begin immediately*
  - c. *Payment reform is not the magic bullet for health care reform, but is one essential element in transforming Alaska’s health care system so that it better serves patients, and delivers better value for payers and purchasers.*

#### **Proposed Commission Facilitation Activities for Policy Recommendation III.1.**

- A. Facilitate the development of enterprise-wide purchasing policies, negotiation strategies, and payment methodologies across State of Alaska programs involved in purchasing health care to leverage support for improved care management and coordination, clinical quality, patient outcomes, and cost efficiency and effectiveness.
  - i. Convene leaders of the Department of Administration AlaskaCare employee and retiree health plan, Department of Health & Social Services Medicaid program, State employee union health trusts, Workers’ Compensation program and University of Alaska employee health plans to learn how other State governments align health care purchasing strategies, and discuss how purchasing could be aligned across State of Alaska health care programs.
  - ii. Assess readiness of the above listed program leaders to collaborate on the development of common health care purchasing policies and strategies.
  - iii. Provide technical assistance to support development of common policies and strategies.
- B. Facilitate implementation of a payment reform demonstration project focused on regional/community health improvement (designed to improve population health, care management and coordination, clinical quality, and cost efficiency and effectiveness) and planned by local health care providers, commercial insurers, third party administrators, and employers with self-funded ERISA plans.
  - i. Convene providers and payers to learn about current payment reform initiatives in Alaska, and about payment reform models in other states that have the potential to work in Alaska’s health care markets.
  - ii. Assess readiness of payers and providers for various payment reform options.
  - iii. Provide facilitation for a payment reform demonstration project (i.e., convene stakeholders in planning and problem-solving forums, identify data needs, support information and communication flow, etc.).

## CORE STRATEGY IV: Engage & Support Employers to Improve Health Plans and Employee Wellness

### *Policy Recommendation IV.4: Reform Workers' Compensation Laws (from 2013 Annual Report)*

4. *The Alaska Health Care Commission recommends the Alaska Legislature enact changes in the State Workers' Compensation Act to contain medical costs in the program and improve quality of care and outcomes for injured workers, including:*
  - a. *Implementation of evidence-based treatment guidelines;*
  - b. *Restriction of reimbursement for repackaged pharmaceuticals;*
  - c. *Restriction of reimbursement for opioid narcotic prescriptions exceeding a maximum appropriate dosage; and,*
  - d. *Revision of the fee-for-service fee schedule.*

### **Proposed Commission Facilitation Activities for Policy Recommendation IV.4.**

- A. Convene meetings with other organizations that have made formal recommendations for reforming Alaska's Workers' Compensation program that align with Commission recommendations, such as the Workers Compensation Board and the Alaska State Chamber of Commerce, to identify action steps the Commission can take to facilitate implementation of common recommendations.
- B. Produce a White Paper on the experience of other states that have reformed the medical component of their Workers' Compensation program.
- C. Convene stakeholders (employers, labor unions, workers, health care providers, legislators, Workers' Comp program leaders) and:
  - i. Arrange for testimony to the stakeholder group by representatives from other states that have successfully implemented Workers' Comp reform;
  - ii. Gather feedback from Alaska stakeholders;
  - iii. Identify areas of common agreement by all stakeholders, and also areas of disagreement; and,
  - iv. Identify opportunities for resolving areas of disagreement.
- D. Produce a Policy Paper for the Governor and legislature that describes the Workers' Comp reform experience of other states, explains current recommendations of the Health Care Commission and other organizations with similar recommendations, identifies the areas of agreement and disagreement among Alaska Workers' Comp stakeholders, and offers potential solutions.

## CORE STRATEGY VII: Focus on Prevention

### *Policy Recommendation VII.1: Encourage & Support Healthy Lifestyles (from 2009 Annual Report)*

1. *The Commission recommends that the Governor and Alaska Legislature investigate and support additional strategies to encourage and support healthy lifestyles, including strategies to create cultures of wellness in any setting.*

#### **Proposed Commission Facilitation Activities for Policy Recommendation VII.1.**

- A. Convene leaders of the Healthy Alaskans 2020 initiative from the Department of Health & Social Services and the Alaska Native Tribal Health Consortium (Commissioner, CEO and Division Directors) with the Healthy Alaskans 2020 Advisory Team to identify and discuss challenges to ongoing implementation of this collaborative statewide population health improvement initiative. Work together to identify options for long term sustainability.
- B. Convene leaders of the Healthy Alaskans 2020 initiative from the Department of Health & Social Services and the Alaska Native Tribal Health Consortium (Commissioner, CEO and Division Directors) with the Healthy Alaskans 2020 Advisory Team to discuss options for implementing a Public Health System Improvement Process, and to discuss the cost-benefit of pursuing national accreditation of Alaska's public health agencies.
- C. Convene administrators of all health insurance plans serving State of Alaska employees, and other public employers who participate in the state retirement system, to identify opportunities for joining resources to support workplace wellness and prevention efforts.

### *Policy Recommendation VII.6: Adopt Opioid Control Policies & Programs (from 2013 Annual Report)*

6. *The Alaska Health Care Commission recommends the State of Alaska adopt aggressive prescription opioid control policies and programs, including:*
  - a. *The Commission recommends the Alaska Board of Pharmacy in the Department of Commerce, Community & Economic Development and the Alaska Legislature strengthen the Alaska Prescription Drug Monitoring Program by upgrading the controlled substances prescription database to real-time and providing support for on-going operation of the database.*
  - b. *The Commission recommends the Alaska Medical Board, Board of Nursing, and Board of Dental Examiners in the Department of Commerce, Community & Economic Development require one-time Continuing Medical Education Credits on over-prescription of opioids and how to spot potential abusers as a condition of licensure or re-licensure for clinicians with prescription authority.*
  - c. *The Alaska Health Care Commission recommends the Alaska Medical Board, Board of Nursing, Board of Dental Examiners, and Board of Pharmacy in the Department of Commerce, Community & Economic Development work together to identify and adopt guidelines regarding appropriate dosage for prescription of opioid narcotics.*
  - d. *The Commission recommends the Commissioners of State agencies responsible for purchase of medical services (Health & Social Services, Administration, Labor & Workforce Development, and Corrections) and the President of the State University System track adoption of opioid control regulations by Alaska's professional licensing boards for prescribing clinicians, and collaborate to adopt common payment practices for reimbursement for opioid narcotics should the professional boards decide against regulation of their professions.*

## **Proposed Commission Facilitation Activities for Policy Recommendation VII.6.**

- A. Convene physicians, mid-level practitioners, pharmacists, hospital and emergency department leaders, applicable state clinician licensing boards, appropriate state agency staff, and legislators to:
  - i. Hear expert testimony from other states where opioid control programs have been successfully implemented.
  - ii. Identify and discuss the pros and cons of upgrading Alaska's prescription drug monitoring database to real-time or near real-time, including potential Medicaid savings.
  - iii. Discuss the benefits of expanding access to the prescription drug monitoring database to Department of Health & Social Services and Department of Law staff for Medicaid fraud control, utilization review and public health purposes.
  - iv. Identify prescribing guidelines for Alaska (include hospice patient exemption).
  - v. Compile data on the problem of opioid abuse in Alaska.
- B. Convene Department of Administration, Department of Health & Social Services, and University of Alaska health plan administrators to discuss application of controlled substances prescribing guidelines in AlaskaCare and Medicaid health plan benefit and payment policies.
- C. Prepare a white paper on other states' opioid control program results, and recommendations from the FDA, CDC, and the White House Office of Drug Control Policy.

## **CORE STRATEGY VIII: Build the Foundation of a Sustainable Health Care System**

### ***Policy Recommendation VIII.A.3: Foster Telehealth (a & b from 2009 and c & d from 2012 Annual Report)***

#### ***A.3. Health Information Technology – Telehealth/Telemedicine***

- a. *The Commission recommends that the Governor and Alaska legislature work with federal and local partners to ensure all Alaskan communities have access to broadband telecommunications infrastructure that provides the connectivity and bandwidth necessary to optimize use of health information technologies.*
- b. *The Commission recommends that the Governor direct the Alaska Department of Health & Social Services to investigate innovative reimbursement mechanisms for telemedicine-delivered services; test new payment methodologies through Medicaid, and work with other payers to encourage adoption of successful methodologies.*
- c. *The Alaska Health Care Commission recommends the Department of Health & Social Services develop collaborative relationships across health care sectors and between payers and providers in existing telehealth initiatives to facilitate solutions to current access barriers. The Commission further recommends telehealth collaboratives:*
  - *Focus on increasing access to behavioral health and primary care services;*
  - *Target specific health conditions for which clinical improvement, health outcomes, costs and cost savings can be documented; and,*
  - *Include an evaluation plan and baseline measurements prior to implementation, measurable objectives and outcomes, and agreement between pilot partners on selected metrics.*
- d. *The Alaska Health Care Commission recommends the Department of Health & Social Services develop a business use analysis for a private sector statewide brokered telehealth service including:*

- *Compilation and maintenance of a directory of telehealth providers*
- *Compilation and maintenance of a directory of telehealth equipment addresses*
- *Coordination of telehealth session scheduling for providers and equipment*
- *Facilitation of network connections for telehealth sessions*
- *Provision of 24/7 technical support*

**Proposed Commission Facilitation Activities for Policy Recommendation VIII.A.3.**

- A. Convene stakeholders (health care providers, Telehealth service providers, payers, regulators) to identify specific state policy barriers to development and utilization of Telehealth technologies in Alaska, and to design solutions to identified barriers.
- B. Convene Telehealth stakeholders to:
  - i. Evaluate the current state of Telehealth in Alaska;
  - ii. Identify opportunities to leverage technology, business relationships, bandwidth capacity, and payer systems to improve Telehealth services;
  - iii. Identify legislative, training, evaluation, and other requirements for improving Telehealth services.
  - iv. Develop an actionable plan to address issues identified in stakeholder sessions. Include:
    - Potential for improving patient outcomes;
    - Potential ROI (Return on Investment) for investors;
    - Short and long-term cost benefit for medical claims payers (Medicaid, State employee/ retiree health plans, other employers, insurers); and,
    - An evaluation component that includes measurement of patient health outcomes, provider satisfaction, and cost benefit for payers.

# Alaska Health Care Commission 2014 Annual Report

## Appendix A

### **Transforming Health Care in Alaska: Core Strategies & Policy Recommendations**

Compilation of Alaska Health Care Commission Recommendations made to-date

Available on the Commission's 2014 Report webpage at:  
<http://dhss.alaska.gov/ahcc/Pages/Reports/2014commissionreport.aspx>

## **Appendix B**

### **POLICY BRIEF**

#### **All-Payer Claims Database: Key Provisions for State Legislation**

Following two years of study the Commission recommended in 2013 that the Alaska legislature establish an All-Payer Claims Database (APCD) to support transparency and payment reform, and to strengthen the health information infrastructure by providing data needed to help with better understanding health care utilization and costs. Interest expressed by legislators in this recommendation during the 2014 session led to the preparation of this Policy Brief on the essential elements that should be included in state legislation to create an APCD for Alaska.



## **Appendix C**

### **Snapshot of Employer-Sponsored Health Insurance in Alaska**

**Institute of Social & Economic Research  
University of Alaska Anchorage**

September 2014

Study conducted under contract for the Commission during 2014

## **Appendix D**

### **Alaska Employer Health-Care Benefits: A Survey of Alaska Employers**

**Institute of Social & Economic Research  
University of Alaska Anchorage**

October 2014

Study conducted under contract for the Commission during 2014

## **Appendix E**

### **COMMISSION COLLABORATION WITH EMPLOYERS**

#### **Health Benefit Recommendations for Alaskan Employers**

During 2014 the Alaska HR Leadership Network, a coalition of Human Resource Directors of large employers working together to address common concerns regarding high and rising health care costs, requested information and assistance from the Alaska Health Care Commission. One request made by the Leadership Network was for a “Top 10” list of recommendations for employers for addressing health benefit cost concerns. This Appendix contains the paper on the Commission’s recommendations that were provided to the Leadership Network.

## **Appendix F**

### **COMMISSION COLLABORATION WITH EMPLOYERS**

#### **Commission Recommendations Requiring Legislation for Implementation**

During 2014 the Alaska HR Leadership Network, a coalition of Human Resource Directors of large employers working together to address common concerns regarding high and rising health care costs, requested information and assistance from the Alaska Health Care Commission.

One request made by the Leadership Network was for a description of Commission policy recommendations made to-date to the Alaska Legislature. This Appendix contains the August 2014 letter Dr. Ward Hurlburt, then Chair of the Commission and Chief Medical Officer for the Department of Health & Social Services, wrote to the Leadership Network in response to their request.

## **Appendix G**

### **COMMISSION COLLABORATION WITH EMPLOYERS**

#### **Employer Resolutions in Support of the Commission's Work and Recommendations**

During 2014 the Alaska HR Leadership Network, a coalition of Human Resource Directors of large employers working together to address common concerns regarding high and rising health care costs, requested information and assistance from the Alaska Health Care Commission. In response to subsequent collaboration with Commission leadership and staff, a number of members of the Leadership Network signed a resolution to share with the Legislature documenting their concerns and noting their support for solutions recommended by the Commission. This Appendix contains copies of those signed resolutions.

## **Appendix H**

**2014 Voting Record**

**2014 Financial Disclosure Forms**

**2014 Ethics Reports**

Available on the Commission's 2014 Report webpage at:  
<http://dhss.alaska.gov/ahcc/Pages/Reports/2014commissionreport.aspx>